



United States Department of Agriculture

The Business Case for the Cultural Transformation of the USDA



“Our senior leaders are responsible for leading change and must be committed to achieving a cultural transformation of USDA.”

—Secretary Thomas Vilsack

CONTENTS

Introduction	1
An Inclusive, High-Performance Organization	3
The Power of Inclusion.....	5
Demographics	7
The Business Dimensions of Diversity, Inclusion, and High Performance	10
1. Workforce Utilization	11
2. A Diverse Customer Marketplace.....	12
3. Productivity	14
4. Quality	16
5. The New Skilled Workers	18
6. Knowledge Management.....	21
7. Talent Management	23
8. Performance Management.....	27
9. Management of a Diverse Workforce.....	27
10. Globalization	29
Summary.....	33

INTRODUCTION

The objective of this document is to present a compelling case for the cultural transformation of USDA from a business-oriented perspective. First and foremost is fulfilling our agency mission—to *provide leadership on food, agriculture, natural resources, and related issues based on sound public policy, the best available service, and efficient management*. Second is performing this mission in the most efficient and effective manner in terms of performance, productivity, and profitable operation. *Profitable operation* refers to the maximum utilization of resources and people.

Our mission, in large part, refers to how well we serve our customers, their level of satisfaction, and the results produced by our delivery processes. It involves an indepth knowledge of both the material needs and the people we serve—ethnically, culturally, and geographically. This understanding is a natural and ongoing part of our business operation, particularly with respect to the radical changes occurring in food choices and distribution systems. Given the increasingly diverse population of the United States (and the world), our ability to meet and exceed our customers' expectations is determined by how well our organization is a representation of those we serve and how well we understand the vast array of cultural differences they represent.

Performance and productivity are at the heart of creating a profitable operation. By necessity, such an operation requires up-to-date high performance initiatives as well as an environment where inclusion and exceptional performance are an ingrained part of our culture. In order to create the type of culture that is responsive to the demographic and cultural changes occurring, we require not only change in the way we perform our tasks and serve our customers, but also a transformation in our beliefs, attitudes, and perceptions about differences between employees, customers, and stakeholders.

Therefore, the cultural transformation of USDA involves radical changes in our business processes as well as a transformation in our ability to provide equitable opportunity for

all employees to be personally successful and fully engaged in the success of USDA. It requires an integrated approach in order to institutionalize diversity, inclusion, and high performance.

We define diversity in a way that is *comprehensive*, *inclusive*, and *transforming*. First, diversity is a comprehensive part of everything we do with others, as is illustrated below and throughout this publication. Second, it involves an environment that compatibly embraces differences. And third, diversity involves a *fundamental change* in our acceptance of people who are different from ourselves. This is transformation. Therefore:

Diversity is an *inclusive environment* wherein differences are valued and integrated into every part of our organization's operation in order to:

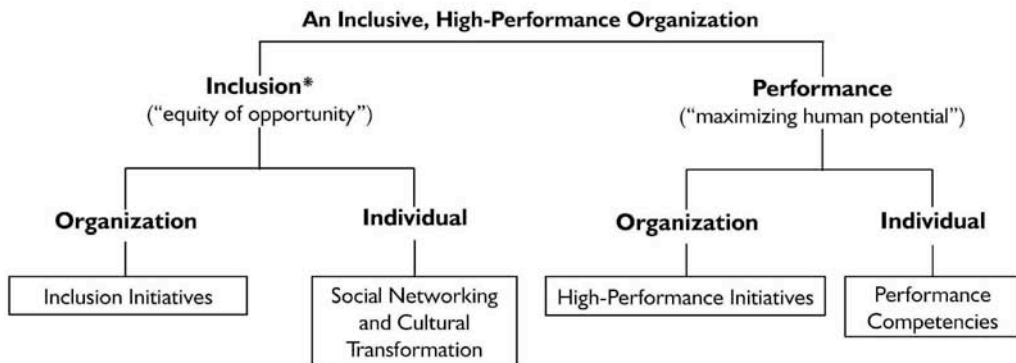
- *ensure exceptional customer service (Customer Focus);*
- *ensure the mental, physical, and emotional well-being of employees (Work-Life Balance);*
- *achieve exceptional workplace and business performance (High Performance);*
- *deliver the highest quality products and services (Quality);*
- *create new innovative products and services for the agricultural community (Creativity and Innovation); and*
- *create a unified, aligned, and high-performance workforce through the power of inclusion.*

The first step of this journey is defining the end-state of our odyssey—the achievement of an inclusive, high-performance organization.

AN INCLUSIVE, HIGH-PERFORMANCE ORGANIZATION

An inclusive, high-performance organization is one that leverages the total capacity of its workforce. The model which illustrates the integration of *inclusion* and *performance* is shown as Figure 1.

Figure 1. A holistic approach to inclusion and high performance



**Inclusion is an environment where equity of opportunity exists for all employees' success.*

Performance involves two components— Individual and Organizational. The organizational component is comprised of high-performance initiatives, such as employee development, performance management, talent management, and employee engagement. The individual component is comprised of the performance competencies necessary to successfully perform the high-performance initiatives, such as self-management, cultural competence, coaching and mentoring, personal responsibility and accountability, and management and leadership skills.

Inclusion also involves two components—Individual and Organizational. The organizational component is comprised of specific initiatives to ensure *equity of opportunity*, such as diversity at all levels, community outreach, supplier diversity, multicultural mentoring and coaching, and greater mainstream participation. The individual component is the employee participation in cultural transformation. It combines an employee's natural social network with small acts of support on behalf of others—resulting in *small acts of inclusion*. This

component is a simple, yet powerful, way to achieve inclusion with everyone's participation.

The reason inclusion is so important: Without its active incorporation, it is impossible to achieve exceptional performance. That is, if a diverse organization focuses only on performance as shown in Figure 1—assuming employees are essentially identical entities with little or no distinctions—it will experience a limit in productivity and performance well below its potential. The differences between and among employees—human, cultural, and organizational dimensions—will begin to dominate their interactions in counterproductive ways. The result is a downward spiral in terms of overall performance and productivity. When inclusion is addressed and performance and productivity begin to increase exponentially, we really begin to understand the power of inclusion.

THE POWER OF INCLUSION

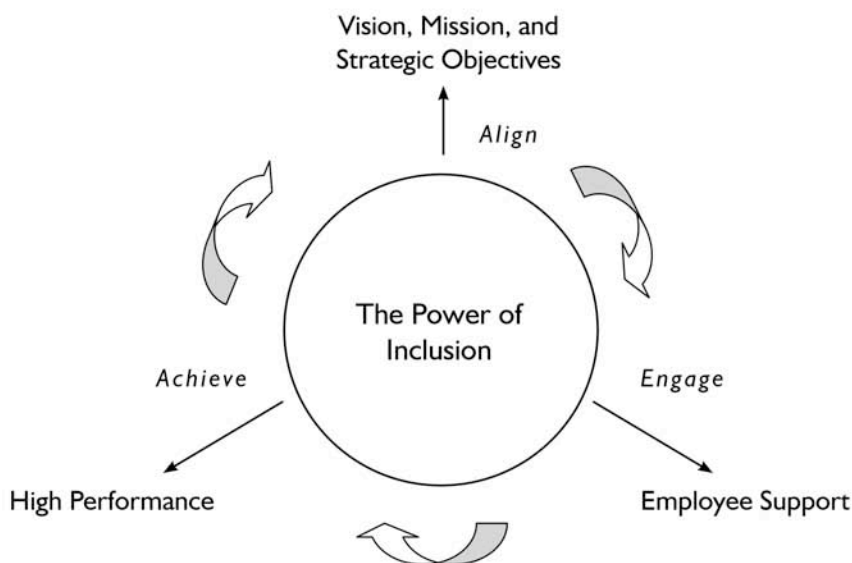
Inclusion is a humanly compatible workplace environment where equity of opportunity exists for all employees to experience personal success and contribute to the organization's success.

Equity of opportunity means that over an employee's career, he or she may experience different, but equitable opportunities and challenges. Inclusion ensures an environment where:

- differences are leveraged for driving the mission and vision of USDA;
- employees are respected, valued, and engaged in their work; and
- high performance is expected, supported, and achieved.

Figure 2 illustrates the cycle of high performance resulting from the power of inclusion.

Figure 2. The cycle of high performance



The cycle begins with the vision, mission, and strategic objectives sparked by a new project or challenge. The greater the combination of diverse ideas and participants, the more powerful the creative ideas for implementation of an innovative solution.

This level of participation, in turn, leads to greater employee engagement, particularly where active leadership support exists. The result is the continual achievement of high performance.

For example, USDA Deputy Secretary Kathleen Merrigan is leading an innovative effort to create new economic opportunities by better connecting consumers with local producers. Specifically, the effort known as the Know Your Farmer, Know Your Food (KYF2) program is a multi-Agency effort to develop innovative solutions for promoting locally and regionally produced and processed food, foster new opportunities for farmers and ranchers, and increase consumer access to healthy and safe food. This effort is an inclusive and innovative initiative that has brought in diverse ideas and participants from all parts of USDA (from the Farm Service Agency to the Rural Development agencies to the Food Safety and Inspection Service (FSIS)). FSIS is a key participant and leads efforts to ensure that KYF2 program initiatives concerning meat and poultry promote food safety and the public health. FSIS has assigned KYF2 efforts to employees with diverse backgrounds and skills, and their efforts, along with the equally diverse staff from other USDA agencies, already have produced innovative solutions to promote both regional food systems and the public health.

The cycle of high performance represents key initiatives that will be discussed further in this report, namely, *Knowledge Management*: harnessing the power of information and knowledge in shared collaboration with others to generate the most creative ideas and solutions; *Talent Management*: recognizing, developing, and empowering the human capital necessary for achieving continual success; and *Performance Management*: coaching and mentoring the cognitive, behavioral, and strategic skills necessary for high performance.

DEMOGRAPHICS

The projected distribution of workforce entrants and overall workforce demographics spanning from 2004 to 2014 are shown in Tables 1 and 2. It is important to note that Table 1 is a cumulative sum of the number of entrants projected to become part of the U.S. workforce over a 10-year span. Whereas Table 2, column 2, is the *net* number of workers, by racial/ethnic designation, projected to be the workforce increase (14,696,000) as compared to 2004's total of 147,401,000.

In 1985, the publication *Workforce 2000* projected that males of European heritage would increase by a net growth of 15 percent over the 15-year span from 1985 to 2000. This projection turned out to be a slight overestimation. The actual net increase was closer to 14 percent. Correspondingly, the projection was 85 percent for Persons of Color (POCs) and women. When extended to 2014, the projection remains at approximately 15 percent net growth of males of European heritage. Table 2, which shows a net growth of 29.5 percent for White men, also includes workers of Hispanic origin who declare themselves as White. (approximately 15 percent).

The U.S. population by 2010 was projected to be 64.7 percent persons who declared themselves as White and 35.3 percent individuals who declared themselves as POCs. The projection for 2015 is 62.4 percent White and 37.6 percent POCs. Traditionally, the projections of POCs have been, at best, conservative, and often underestimate the true population and workforce growth of POCs. These distributions represent the present and future customer bases of USDA. Among these distributions are individuals who declare themselves as White, Black, American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, and Hispanic, in addition to significant populations of East Europeans, Africans, and persons from the Middle East. Fifty percent of the children in the United States 5 years old and younger are racial or ethnic minorities. This is the ethnic and cultural diversity of the United States that we serve.

The workforce statistics discussed above represent the

diversity of our present and future workplace employees. Our willingness to learn skills and harness the potential of this vast array of diversity will, in large part, determine our success in transforming the culture of the USDA.

TABLE 1. DISTRIBUTION OF WORKFORCE ENTRANTS*

(Projected 2004 - 2014)

White	
Men	41.2%
Women	33.6%
Black	
Men	6.9%
Women	8.0%
Asian Origin	
Men	3.5%
Women	3.4%
All Other Groups	
Men	1.8%
Women	1.7%
Total	100%
Hispanic Origin	
Men	11.5%
Women	9.9%
Other Than Hispanic Origin	
Men	41.8%
Women	36.7%
Total	100%

Note: Hispanics may be of any race. The “All Other Groups” includes (1) Multiple race origins and Pacific Islanders and (2) American Indians and Alaska Natives.

* Bureau of Labor Statistics *Employment Projections*, 02/15/06 Edition, Civilian Labor Force 16 years and older, 2004-2014 Projections.

TABLE 2. U.S. WORKFORCE DEMOGRAPHICS*

(2004 - 2014, in thousands)

Group		Workforce (2004)	Entrants – Leavers (2004-2014)	Workforce (2014)
White	Men	65,994	4,339	70,333
	Women	55,092	4,508	59,600
Black	Men	7,773	1,302	9,075
	Women	8,865	1,494	10,359
Asian	Men	3,396	1,015	4,411
	Women	2,875	1,017	3,892
All Other Groups	Men	1,817	556	2,373
	Women	1,589	465	2,054
Hispanic Origin	Men	11,587	3,332	14,919
	Women	7,685	3,154	10,839
Other Than Hispanic	Men	67,393	3,880	71,273
	Women	60,736	4,330	65,066
Total		147,401	14,696	162,097

Note: Hispanics may be of any race. The "All Other Groups" includes (1) Multiple race origins and Pacific Islanders and (2) American Indians and Alaska Natives.

* Bureau of Labor Statistics *Employment Projections*, 02/15/06 Edition, Civilian Labor Force 16 years and older, 2004-2014 Projections.

THE BUSINESS DIMENSIONS OF DIVERSITY, INCLUSION, AND HIGH PERFORMANCE

In today's global operations, organizations are successful because of “profitable operation” in producing and delivering their products and services. This is particularly true of service organizations that are people intensive. The less expensive, in time and money, production, and delivery of products and services, the greater the profitability.

Profitable operation, as discussed earlier, refers to the efficiency and effectiveness of people performance, management systems, and operational processes. Profitable operation generates time and saving of resources. These commodities are, in turn, used for continuous development and learning for employees. The keys to maximizing productivity are:

- highly competent, continuously learning employees
- management systems based upon empowerment
- teaming for greater productivity and collaboration
- effective utilization of *all* employees.

Workforces and customer bases that are highly diverse in terms of human, cultural, and organizational dimensions present additional challenges in terms of profitable operation.

Fundamental business issues that are directly impacted by these dimensions are:

1. Workforce Utilization
2. A Diverse Customer Marketplace
3. Productivity
4. Quality
5. The New Skilled Workers
6. Knowledge Management
7. Talent Management

8. Performance Management
9. Management of a Diverse Work Force
10. Globalization

1. Workforce Utilization

It is well documented that both women and cultural and ethnic minorities are underutilized in the U.S. workforce.^{1,2} This underutilization can be directly related to loss in productivity and profitable operation. Data collected by Innovations International Inc. over a 18-year period have shown that, on average, POCs are allowed to perform at roughly 65 percent of their capacity, Euro-American women at about 70 percent, and Euro-American males at about 85 percent, because of a lack of inclusion.³ The differences of 20 percent and 15 percent respectively, for POCs and Euro-American women, as compared to Euro-American males are assumed to be due primarily to issues of diversity and exclusion. The difference of 15 percent as compared to 100 percent performance for Euro-American males is assumed to be a lack of achieving high performance.

The underutilization of POCs and Euro-American women, as groups, is due to traditional leadership support systems that are dominantly Eurocentric in terms of valuing, supporting, and including workplace employees. That is, the more an employee has in common with Eurocentric values in terms of workstyle, the more he or she experiences inclusion and support. The more employees experience exclusion, the greater the tendency is to simply adapt by conforming. Conforming is the endless process of attempting to think and behave in ways that are unnatural in order to achieve the expected norms of the organization.

Cultural exclusion is primarily practiced unconsciously and unintentionally. For example, the normal human tendency is to form close relationships with those individuals who have similar values to ourselves. The result is the unconscious hiring, supporting, and promoting of individuals who are “mirror images” of ourselves. However, exclusion does cost the organization in terms of efficiency of operation. An organization employing 20,000

POCs earning an average income of \$50,000 per year, performing *at an average* of 65 percent of their capacity, loses approximately \$350 million a year in productivity. A corresponding calculation for 50,000 Euro-American women earning an average income of \$50,000 per year, performing *at an average* of 70 percent of their capacity, results in \$750 million loss in productivity.

Inclusion is designed to take an organization from reactivity to proactivity. In order for diversity and inclusion to be meaningful after a training experience, they should be an integrated part of an individual's performance appraisal (IDF). Diversity and inclusion goals should be a part of everyone's performance plan. As a result, diversity and inclusion can be *measured* activities with acknowledgments and rewards for success and consequences for those who are unsuccessful or uncooperative.

2. A Diverse Customer Marketplace

The most effective way to serve a diverse customer marketplace is to have a work force that mirrors its diversity. The United States is one of the most diverse countries in the world. For example, there are more than 80 native languages represented in the Los Angeles area. It is a human tendency for people (customers) to feel *a natural connection* with someone they can relate to. For many non-Eurocentric cultures this is a vital connection for establishing trust in relationship. Trust means that no matter what may happen in delivering one's products and services, the customer's view is, "I can trust that you will always do what is in my best interest, even if I don't understand all the subtle details."

For example, the customer feedback from a service organization's business-based female population was that they preferred a thorough understanding of safety issues. The underlying assumption was that the male service representatives tended to give women *less* technical explanations as compared to men. The female business owners felt the level of information they received was inadequate. Regardless of the source of this perception, the organization's response was to simply assume the

perception to be totally valid and address the feedback concern. This is an example of what an inclusive workplace requires in terms of customer service. The way in which an organization addresses such issues will determine its success.

“The 2008 Farm Bill implements some positive changes in the area of customer service and participation for the Supplemental Nutrition Assistance Program (SNAP). Most recently, USDA Secretary Thomas Vilsack began piloting an outreach program to six State agencies to increase SNAP participation in eligible seniors age 60 and older and working poor households. Secretary Vilsack points out that the President has made it a top priority to ensure that all Americans facing economic hardship have access to nutritious food, and that historically, seniors and the working poor participate in SNAP at lower levels than the general population, and the new important outreach efforts can help close that gap.

The approaches that will be tested for reaching SNAP-eligible elderly include a simplified phone application process; a locally stationed call center; and assistance from a faith-based organization serving different segments of low-income seniors. Models for reaching SNAP-eligible working poor households include assistance from a network of partners with existing relationships among the working poor; mobile application specialists whose services will be marketed through new partners such as libraries and job centers; and a combination of strategies focused on working poor Latinos.

SNAP is the primary source of food assistance for low-income elderly persons, but just 3 of 10 elderly in this country who qualify for benefits participate. The national participation rate among eligible working poor has been about 10 percent less than all eligible persons.

The pilots will be conducted in diverse communities from rural to urban counties and are expected to run 2 to 3 years. The six State agencies awarded grants, by target population, include:

- Massachusetts Department of Transitional Assistance (Latino Working Poor)

- Michigan Department of Human Services (Elderly)
- Ohio Department of Job and Family Services (Elderly)
- Pennsylvania Department of Public Welfare (Elderly)
- Wisconsin Department of Health Services (Working Poor)
- Washington Department of Social and Health Services (Working Poor)

3. Productivity

Productivity is at the heart of a profitable operation. Productivity is defined as the quantity and quality output of products and services in a specified timeframe. An organization's efficiency of production is determined by its principles of operation, management system, practices and procedures, and everyday workplace behaviors. If these elements are aligned in generating the organization's products and services, then service delivery is excellent and customers are delighted. Productivity is probably the single most determining factor of how profitable an organization is in terms of leveraging human potential.

When people of widely different backgrounds are brought together to accomplish a task, the overwhelming probability is that their differences will dominate their interactions. The greater the array of differences—such as culture, ethnicity, race, management style, workstyle, sex, ethics/values, right/left brain, etc.—the greater the probability for conflict; and a corresponding loss of productivity. This situation is particularly true when extended to teams—both interpersonal and virtual.

In today's speed-driven business environment, most organizations incorporate teaming in addition to the extensive use of individual contributors. In order to serve customers efficiently—internal and external—there is no choice but to operate in teams for many of their service functions. The challenge is to learn how to become comfortable with the great variety of ideas that come from diversity, without creating excessive chaos and confusion. Diversity training and subsequent implementation plans and behaviors are ways we learn to accommodate diversity differences.

For example, the USDA Faculty and Student Team (FaST) Program addresses the demonstrated need of training and preparing Hispanic scientists to fill key science positions in the agricultural and environmental fields. Hispanics lag behind other groups in the United States in obtaining advanced degrees. They comprise only 3.8 percent of advanced degrees in agricultural sciences. The FaST program represents a concerted effort to bring the country's best researchers together with students and faculty from under-represented groups to address current USDA research concerns while fostering the goal of an increased pool of Hispanics who pursue careers in these areas.

The program outcomes include providing demonstrable benefits to individual student participants, faculty mentors, Hispanic-Serving Institutions (HSI) and host National Resources Inventory-grantee labs and research stations, as well as the broader scientific and policy communities. Student participants receive vital training and mentorship as well as professional networking opportunities. Faculty mentors will enhance their own research by working with state-of-the-art equipment and resources not available at their home institutions. The research programs and training capacity of the participating HSIs will be strengthened upon the return of research teams to these universities. Host labs and field stations will advance their own research projects with the aid of HSI guest scientists with relevant training and backgrounds.

Finally, a diverse cohort of experienced scientists emerging from the program will bring new perspectives to existing problems in agricultural and environmental sciences. Participating HSI teams will improve the research and training capacities of their respective home institutions.

For more information please visit:
<http://www.reeis.usda.gov/web/crisprojectpages/214539.html>

4. Quality

It is important to recognize that quality in products and services is a baseline requirement in today's business environment. This requirement is particularly true in person-to-person service with a diverse customer base. Whether it is internal administrative processes, food distribution to those in need, assisting visitors in national parks, or delivering equitable services to women and minority farmers, the way customers feel they are treated is a reflection of the quality we deliver. The quality we live by internally is a reflection of the quality we provide the customers we serve.

Many of our customers in today's marketplace come from cultures where *sensitive* communication is *the* most important element of a business transaction. The nature of day-to-day interpersonal behaviors directly determines the "quality of interaction" *they* experience and an organization's ability to create "customer trust." Understanding the customer's culture and value system is vital to an organization's ability to provide continuing quality service. The key is to develop a culturally competent workforce.

Cultural competence is the ability to effectively and sensitively work with others who are culturally and ethnically different. Cultural competence involves three major skills: cultural intelligence, cultural transformation, and cross-cultural skills. *Cultural intelligence* is knowledge of others and their culture, such as history, background, face, extended family, etc. *Cultural transformation* is the willingness to change in response to conflicting cultural encounters, such as work styles, religion, backgrounds, and selected fundamental cultural beliefs. *Cross-cultural skills* are "natural behavioral patterns" of relationship and communication in working compatibly with others who are ethnically and culturally different.

For example, the U.S. Codex Office that operates with USDA is responsible for advancing the U.S. position in international forums that deal with many aspects of food safety and the international food trade. In carrying out this

responsibility, the U.S. Codex Office has many customers, e.g., the general public, consumer organizations, the industry, and other government agencies.

In achieving support for the U.S. position, the U.S. Codex Office must collaborate with representatives from more than 180 different countries -- all of whom have their own culture, rules of behavior, styles, and goals. The ability to effectively communicate with representatives from all over the globe is critical if we are to achieve our objective. And effective communication requires an understanding and respect for others' customs and beliefs. For example, some delegations have a strong respect for hierarchy, and thus it is important, when seeking support, to approach the Head of the delegation. Some delegations appreciate opportunities for social interaction and are comfortable with building social relationships on which to base a working relationship. Other delegates show a real willingness to cooperate when an effort is made to communicate with them in their native language. By acknowledging and accommodating these cultural patterns, the United States is able to foster strong personal relationships, which enable us to work together very successfully in forming coalitions to support our mutual goals. This method has proven to be very valuable to the United States in the areas of food safety and food trade.

In order to be effective, though, people need to be at ease and natural when they are using cross-cultural skills. However, despite the best intentions and greatest efforts, cultural transformation may be very difficult for some people, especially if they have had very little occasion to practice it in their social or work environments. That is why it is so important for successful organizations to have diverse, inclusive workforces which provide their employees with opportunities to gain experience and become comfortable in working with people of different backgrounds and cultures.

As we move through the 21st century, quality products and services will have to be delivered in shorter time periods. Diverse local and global workforces will have to function as integrated, compatible units in order to adequately serve present and

expanding markets and customers. As globalization continues to accelerate, quality improvement and cross-functional teams will have to deal with differing assumptions, values, and beliefs— both domestically and worldwide. Quality improvement and rapid implementation will become dependent upon the diversity of thinking and the diverse ways of doing things which characterize today's workforce.

5. The New Skilled Workers

Overall in the United States, the new *net* entrants into the workforce from 2004 to 2014 is estimated to be more than 85 percent ethnic and cultural POCs, women, and immigrants, and at most 15 percent Euro-American males. Over the years 2004 to 2014, Euro-American males will, at best, replace those leaving the workforce—and gradually decline in total composition. Women, POCs, and culturally different individuals will be an increasing share of the available pool, whether U.S. citizens or foreign nationals.

These undeniable trends mean that we must begin to seriously create a workplace that accommodates the vast array of individuals available. Failure to do so, at a rate necessary to maintain high productivity, will result in a low-performing organization, non-competitive recruitment, and ultimately a loss in profitable operation.

The strategy is to become “the employer of choice.” Being an employer of choice means that there is general recognition and acknowledgment that becoming part of a workforce provides an environment where a prospective recruit can expect career development opportunities, irrespective of ethnic, cultural, or *workstyle* differences. It means the development of an inclusive culture that focuses on performance, rather than style, and that leadership has learned to recognize and enhance the talents of the variety of individuals that comprise their workforce. Thus, such individuals *earn* the right to be advanced.

The new recruits entering the workforce today are primarily from “Generations X and Y and the Millennials.” Their age span is

approximately 18 to 35 years old. They are highly independent, less receptive to autocratic directives, more likely to question the way things are done, and are less likely to be threatened by loss of employment. This is particularly true of those with degrees whom an organization would like to hire and retain. The question is, “Is our culture sufficiently adaptable to hire and retain this new breed of employees?” Their expectations are forcing us to live true to values-based principles that we have espoused for some years, but have only practiced during comfort and convenience. These principles and expectations and their corresponding values include the following:

1. They are not threatened by a lack of employment; *they value **independence and freedom**.*
2. They expect regular feedback about their performance; *they value **honesty**.*
3. They expect to be mentored, coached, and developed; *they value **personal growth and professional development**.*
4. They expect to be rewarded consistent with their performance; *they value **equality and responsibility**.*
5. They respect productivity and performance rather than position; *they value **results as the measure of performance or integrity**.*
6. They do not expect to “wait in line” for promotion and advancement; *they value **performance as the measure for advancement**.*
7. They expect the perks now for great things later; *they value **investment in their demonstrated potential**.*
8. They expect to be valued as a person; *they value **respect**.*
9. They expect a balance between work and personal life; *they value the **freedom** to “have a life” and **compassion** for personal situations.*
10. They value **diversity, inclusion, and performance**.

This is a thumbnail description of the new generations of skilled workers in the United States—and possibly globally. These are the keys to reducing employee turnover and becoming an employer of choice.

Most U.S. organizations are significantly multicultural in terms of composition, but dominantly Eurocentric in terms of their operation. That is, they value *and* reward more:

- individualism more than teamwork
- task orientation more than relationship orientation
- position more than performance
- the end (goal) more than the means (process)
- competition more than cooperation

The new (and present) entrants into today's organizations expect a culture where their values are an inclusive part of the culture. Most of them were educated in an integrated system of experience. The objective is to create an integrated culture that is representative of an organization's entire employee and customer base.

From a global perspective, between 1985 and 2000, the world's workforce grew by approximately 600 million, of which 570 million are from developing countries such as Mexico, India, Pakistan, the Philippines, Brazil, South Korea, and China. Whether we focus internally and/or externally, diversity will dominate the new brain power in terms of both technical *and* non-technical new workers. For example, since the early 1990s, major sources of computer technologists for U.S. corporations have been southern Asia and the Pacific Rim countries.

Perhaps, the statistic of greatest importance is that less than 10 percent of the world's population is Eurocentric (Low Context)—the remainder is more than 90 percent non-Eurocentric (High Context). This statistic combined with the shift in economic power to China, India, and other non-Eurocentric countries is a

harbinger to how organizations must adapt to the changing world situation in terms of business, diversity, and inclusion.

6. Knowledge Management

Knowledge Management is the process of collecting data and information; brainstorming their relationships, themes, and patterns to create new knowledge; and, then comprehensively disseminating the knowledge generated to relevant business or organizational units. It also involves the process of making the data, information, and knowledge collected and generated available for everyone's access and use. Such processes are highly effective in eliminating "silos" that exist among various organizational units. Finally, it includes encouraging the use of these assets for the creation of new ideas, business-related processes, products, and services.

In his book, *Swarm Intelligence*, Eric Bonabeau describes how ants function together in a nearly flawless manner by way of collaboration that involves constant information sharing. He postulates that understanding this biological phenomenon can help businesses to find cross-functional solutions to problems that elude the ordinary top-down approach through the elimination of silos. One of the secrets of an ant community's collaborative functioning is information sharing. As each ant goes about its work, it leaves chemical pheromone trails for other workers to read, and thus gain information. In essence, they are continually sharing the information they gather with everyone else in the ant community.

Therefore, *the* key element in reducing or eliminating silos in workplace functioning is collaboration. Collaboration is different from cooperation. *Collaboration* is the process of working together in a way that involves *respect, trust, openness, support, and inclusion*. *Cooperation* is an act or instance of working together for a common purpose, benefit, or joint objective. Collaboration is more relationship, process, and people oriented. Cooperation is more performance, goal, and business oriented. They are both necessary and mutually compatible for high performance.

The United Kingdom Innovation Network is a "knowledge transfer" partnership which brings together businesses, universities, and research and technology organizations. It was designed to have these knowledge-creating components share their cutting-edge research among each other. The partnership presently consists of 30 knowledge-transfer networks. One of the major purposes of the network is to more effectively utilize academic and research breakthroughs in practical applications to the problems of society. In the past, the previous initiatives all involved competitive, bottom-up types of operations. Comprehensive approaches involving the best ideas was a matter of chance. Presently, everyone who is part of the network has a much higher probability of success through knowledge networking. A side benefit of the network is that it has created the basis of numerous "innovation partnerships."

Perhaps the greatest barrier to freely sharing information with others both within and across organizational units in the United States is the fact that we are a dominantly individually driven country, perhaps more than most countries on the planet. This characteristic makes it difficult to share and correspondingly receive information necessary to ensure high performance. Therefore, the greatest challenge to an effective knowledge management system is establishing a culture where there is a healthy balance between individualism and collaboration.

"For example, the Food Safety and Inspection Service's (FSIS) annual Diversity Training Conference provides a unique opportunity for employees throughout FSIS to: attend numerous educational workshops that cover a wide range of subjects including Diversity, EEO, Civil Rights, Career and Personal Development and Conflict Management; be inspired by diverse keynote and guest speakers; and network and learn from each other's diverse experiences through personal interactions. Most importantly, the Diversity Training Conference experience empowers employees to effectively tackle challenges that public servants face in an increasingly diverse workforce. Participants return to their worksites eager to share their experiences as well as the information gained from attending the Training Conference.

The Diversity Training Conference offers FSIS employees opportunities for personal and professional growth, an integral part of fostering an organizational culture that values, respects, accommodates, and makes use of the individual talents of each employee. Participation in the Diversity Training Conference by a wide cross-section of FSIS employees is essential to promoting the agenda for diversity in USDA and FSIS.

By hosting an annual Diversity Training Conference with an emphasis on reaching different field employees each year, FSIS showcases its firm commitment to the principles of equal employment opportunity, diversity, and inclusiveness, and its commitment to making those principles a fundamental part of FSIS and USDA culture.”

7. Talent Management

Talent management is an initiative designed to *source, attract, recruit, develop, advance, and retain* highly competent employees. It is also designed to target their development to leadership and management functions critical to our organization’s continuing success. Therefore, talent management is inextricably coupled to the organization’s strategic objectives. The essence of talent management is leveraging the organization’s human potential. *Leveraging human potential* is the process of harnessing the knowledge, brainpower, and creativity of people in order to maximize the organization’s human (or intellectual) capital. *Intellectual capital* is:

- intangible and unlimited in capacity
- the source of continuing new ideas
- in reality, our organization’s most vital asset

Managing intellectual (or human) capital is the process of *recognizing, developing, and empowering* the workforce “knowledge assets” to produce exceptional performance. This process involves the ability to:

- *recognize* the competencies and potential of employees
- *develop* their cognitive, behavioral, and strategic skills
- *empower* them in proportion to demonstrated and potential performance

Exceptional performance is the result of mentoring higher performing individuals within an environment which *expects*, *supports*, and *aspires* for greatness. The business drivers for talent management include:

- Cost savings of *retention* versus attrition and recruitment.
- Cost savings of *creating* a critical mass of highly competent employees for continuing and future success.
- Cost savings of *retaining* a critical mass of highly competent employees for continuing and future success.
- Cost savings of *creating* a diverse multicultural leadership and management to be successful in a diverse, multicultural world.
- The results of changing workforce demographics (the feeder system) and the critical selection and development of that potential talent.
- Fundamentally, the assumption (or fact) that a competent, high-performing workforce is the only sustainable advantage for future success.

Most value systems in Western-oriented cultures are Eurocentric. That is, they are dominantly *individually* and *task oriented*. Whereas, the U.S. workforce has already exceeded by one-third non-Eurocentric workers (and a majority of women) who are naturally *group* and *relationship oriented*. The population of POCs has already exceeded one-third of the U.S. population (as of May 2006) and will probably approach 40 percent by the year 2015.

The result is that it is not possible to fully tap the potential of POCs, as well as a majority of women, with a historically one-

dimensional Eurocentric system of operation. In fact, until the early 2000s, Eurocentrism was a way of operating that systematically excluded most of these populations from any significant advancement. At present, what has emerged is “inclusive participation” under the guise of cultural inclusion.

Inclusive participation is allowing the significant participation of POCs and women into the mainstream business activities—without changing the dominantly Eurocentric culture. The predictable result is limited success in proportion to a demographic cultural fit leading to greater attrition of both POCs and women at the higher levels of leadership and management as compared with majority males.

The future integration of talent management into the existing culture will result in the following system of operation:

- It will dominantly operate as project-oriented, virtual teams.
- It will have a flat management structure and self-management systems of operation.
- It will have imbedded in the culture the fundamental cognitive principles of 100 percent responsibility and 100 percent accountability—individually and collectively.
- It will have self-motivated, continuous learning as a requirement for continuous employment—either stated or unstated.
- It will require continuous mastery of technology and software as equated to “reading, writing, and arithmetic.”
- And most of all, it will require the ability to work collaboratively with a vast array of human and cultural differences.

8. Performance Management

Performance management encompasses three major areas of employee performance—appraisal and feedback, development and support, and actively coaching and mentoring opportunities for management and leadership. The major objective of competently managing performance is the continuous development and retention of employees, particularly those with management and leadership potential; the latter individuals are at the heart of creating a culture of profitable operation.

The purpose of employee appraisal and feedback is to evaluate an employee's performance with respect to organizational or business objectives and provide recommendations for course correction, where out of alignment. This is the most difficult aspect of implementing performance or talent management: *proactively holding employees accountable*. There may be a variety of reasons for this performance challenge, but the fundamental requirement for holding others accountable is mastery of self-accountability.

For example, if a manager or supervisor does not hold himself or herself visibly accountable for appointments, promises, or written reports in a timely manner, then he or she will find it impossible to hold others accountable for such self-management practices. In fact, those reporting to that manager will probably feel free to adopt the same practices and behaviors of their managers. We influence others most by what we do in managerial or leadership roles rather than what we say.

The purpose of development and support is to play a proactive role in guiding an employee's career. The first step begins with establishing a relationship based upon mutual respect, trust, and acceptance of each other's fundamental differences as a person. Without this foundation, it is literally impossible to provide effective management. In diverse organizations, these requirements involve the mastery of not only interpersonal skills, such as relationship and communication (e.g., emotional intelligence), but also the ability to manage human, cultural, and behavioral differences in people. In fact, most managers find management behavioral skills relatively easy to learn (and teach)

as well as non-threatening. The real challenge is mastering cognitive skills which are primarily learned through workplace experiences.

The primary purpose of coaching and mentoring is facilitating the cognitive skills an employee requires to be successful. These skills include responsibility and accountability, sensitivity, awareness, acceptance (not tolerance) of differences, persistence, desire, commitment, and strategic thinking. Such skills are best learned through a combination of classroom training and reinforced through coaching and mentoring experiential projects and opportunities. Even though cognitive skills can be learned through highly experiential learning experiences in a classroom setting, they become "natural behavioral patterns" when reinforced in workplace settings.

For example, a U.S. manager in the private sector was assigned to lead a global team to explore new food production with an Asian country. Since timing was short, he began sending directives to team members about how the process would occur. He immediately began experiencing resistance to his directives as well as delayed responses. He did not understand international protocol in terms of establishing relationships based upon trust and first inviting the ideas of others. Fortunately, his senior vice president interceded in facilitating the team process through coaching his manager to "think" a different way when working internationally.

The key element in this discussion is the recognition that our diverse, human capital is truly the most valuable asset we have in the present paradigm of human potential. Our ability to nurture and harness this resource is our only sustainable asset.

9. Management of a Diverse Workforce

The key to high performance is a leadership support system that maximizes the total capacity of *all* employees— both individually and collectively. Given the composition of today's workforce, there is a need to ensure that managers have the skills necessary to effectively manage this wide variety of people. Very few of us are

naturally gifted with the ability to relate on an interpersonal, or even professional, level to individuals whose personal and cultural values are fundamentally different, yet compatible with the organization's core values.

For example, it is not uncommon for conflict to occur between employees who are task-oriented and relationship-oriented. Both orientations are valuable and compatible with an organization's overall value of results orientation. Both orientations are equally able to achieve the business objectives. However, when they are *both* included as part of a work team operation, synergism occurs.

A vitally important dimension to managing differences is leadership making it absolutely clear that *all* managers are *expected* to learn the skills necessary to manage a diversity of employees—no exceptions. Leadership must be the visible example of such management practices or there will be little, or no, credibility in creating expectations of others. These skills are acquired through ongoing training programs—beyond a one-session experience.

The business necessity for good management skills is very simple—productivity. The objective is to facilitate the learning process so that workers can operate as independently as possible. The continual cycle is to teach and delegate. It cannot be overemphasized that an organization is successful by how effectively and efficiently its products and services are produced—which, in turn, is a reflection of the quality of delivery experienced by customers.

The other dimension of managing differences involves the progressive incorporation of empowerment and high performance. This requires a shift from:

- Supervisor to coach/mentor
- Controller to responsible delegator
- Organizer to coordinator
- Manager to facilitator

As stated earlier, this shift in facilitating requires personal

transformation from control-oriented management to empowering management. Such a shift is often brought on by necessity or quite often a change in leadership.

A small business unit providing support services for a major corporation downsized from 35 to 15 employees. The business unit was retained on a trial basis before being outsourced. The vice president of the business unit was *forced* to dramatically change his management style simply because there was no time for managing in the traditional sense. There was only time for meeting new performance standards. Basic changes were immediately necessary. Daily team meetings occurred to keep everyone informed of everyone else's activities. About half of what was previously done by the 35 employees had no visible customer-service value. The remaining employees immediately acquired or began using multiple skills. A single job ceased to exist. The computer specialist did letters, computer designs, copier repairs, telephone answering, and managed the prioritization of his workflow.

This business unit is the forerunner of the new workplace. It is a manager's responsibility to prepare himself and his employees to begin operating in this way. Given our workforce composition, it will be impossible to achieve this way of operating without the inclusive utilization of all employees.

10. Globalization

The natural propensity of business is to gravitate to wherever there is opportunity for providing products and services that appeal to an ever-expanding customer base. This means that business recognizes no borders or geographical limitations. However, the vital key to any business success is its people and how compatibly they work together. When business activity expands beyond its native culture, fundamental differences in perceptions, beliefs, and values become central to success.

We quickly come to the realization that the world is diverse—by definition! And, that venturing into global business requires the *immediate* knowledge and practice of diversity and

inclusion on a scale significantly greater than domestic diversity. What we learn is that the drive to play on a global board will also drive the *necessity* for the acquisition of new skills. These include sensitivity and awareness, cross-cultural communication and relationship, and a *fundamental* shift in mind-set to effectively deal with cultures having values and business practices that are centuries older than the United States. Most of all, globalization requires a willingness to change in response to a cultural encounter that has the potential for greater compatibility and performance.

Globalization, in its mature stages, requires the establishment of a set of values, principles, and ethics to operate in a world without borders. It is the recognition that the United States is, in fact, an integrated part of a world business community where no single region represents what is best for the entire global system. Diversity in this arena seeks to achieve the “seamless integration” of business functioning anywhere, anytime, and anyway on planet Earth.

It requires that we establish a new paradigm of business operation that is global in context, but functions in unique ways where local operations are concerned—“think globally and function locally.” This paradigm will be the synthesis of the Western (U.S.) and non-Western worldviews and how they play out in terms of business operation shown below.

U.S. American Core Values (Low Context)	Non-Western Core Values (High Context)
<ul style="list-style-type: none"> • Individualism • Equality • Democracy • Personal Freedom • Self-Determination • Achievement • Innovation 	<ul style="list-style-type: none"> • Group • Individual Dignity • Consensus • Obligation to Others • Fate (Karma, Joss) • Process/Role • Continuous Improvement

<ul style="list-style-type: none"> • Entrepreneurship • Competition • Religion 	<ul style="list-style-type: none"> • Communal • Cooperation • Spirituality
---	---

The most striking difference between these two value systems is the “apparent” individual/group dichotomy. *Individualism* is the perception of the individual as the cultural quantum of society. The result in the U.S. workplace is self-interest, self-perception, self-motivation, and the expectation of the unlimited freedom of self-expression. *Group* is the perception that the group is the basic unit of society and that the individual is given meaning through group identification. Therefore, *keiretsus* (business alliances) are the obvious way to do business in Japan, and family association in business is most important in South America and Mexico. We in the United States would describe these business operations as anti-trust violations and nepotism, respectively.

The leader who not only understands, but is able to internalize and integrate the value of these types of differences will be at a decided advantage in operating in a global arena. She or he will be able to establish the cultural expectations of those entrusted to carry out global transactions. This knowledge is an essential requirement of leadership in order to effectively function in a global marketplace

The process of business globalization will test the world community like no other human phenomenon in terms of century-old cultural/religious differences which are at the core of how business is conducted worldwide. Fortunately, the societal system that is most adaptable to transcending these differences in creating working alliances is business.

SUMMARY

In the final analysis, the most compelling business requirement for cultural transformation is to create a culture where *all* employees are fully committed, motivated, and engaged in achieving the mission of the USDA. This mission of service can only be accomplished where *inclusion* and *performance* are institutionalized parts of the culture: where inclusion implies equity of opportunity for success and contribution; and performance refers to exceeding the expectations of customers. The willingness to perform at this level of motivation and passion is directly related to the quality of work life employees experience. Elements of work-life quality include the opportunity for creativity, self-management, pride in one's work, meaningfulness of one's work, and work-life balance. These are workplace experiences that result in employee engagement—the experience of being wanted, valued, and respected for one's unique contribution. The bottom-line result of engagement is an internally profitable mode of operation in terms of time, resources, and work-life balance—profits which can be reinvested in employee development, quality working relationships, and quality of life.

REFERENCES

1. *Affirmative Action: What Do We Know?* Harry Holzer and David Neumark, Urban Institute Publication, 2008
2. *Affirmative Action Report: Part 6*: The Office of Federal Contract Compliance Programs (DOL)
about.com/library/etext/gov/bl_gov_aa_06htm
3. Innovations International, *Analysis of Survey Reports 1990 to 2008*, Innovations International, Inc., Salt Lake City, UT 84117

Mention of companies or commercial products does not imply recommendation or endorsement over others not mentioned by the U.S. Department of Agriculture. Product names are mentioned to report factually on available data and to provide specific information.



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

AUGUST 2010